

The Patient Protection and Affordable Care Act HR 3590
TITLE I—QUALITY, AFFORDABLE HEALTH CARE FOR ALL AMERICANS
Subtitle B—Immediate Actions to Preserve and Expand Coverage
Sec. 1101. Immediate access to insurance
for uninsured individuals with a preexisting condition.

A Comparison with the Minnesota Comprehensive Health Association (MCHA)

	Minnesota Comprehensive Health Association (MCHA)*	Pre-Existing Condition Insurance Plan (PCIP) (HR 3590, Sec. 1101)
<u>History:</u>	The Minnesota Comprehensive Health Association (MCHA) is the second oldest high-risk pool in the nation, created in 1976 by the Minnesota Legislature; and formed as a nonprofit corporation.	On March 23, 2010, the President signed into law H.R. 3590, the Patient Protection and Affordable Care Act (Public Law 111-148). Sec. 1101 of the new law establishes a “temporary high risk health insurance pool program” to provide health insurance coverage to currently uninsured with preexisting conditions. The law directs HHS to carry out the program directly or through contracts with states or private, non-profit entities.
<u>Eligibility:</u>	<u>Eligibility Requirements:</u> <ul style="list-style-type: none"> • All enrollees must be residents of Minnesota. <p>Applicants that can apply:</p> <ul style="list-style-type: none"> • HIPAA eligible; • Health Care Tax Credit (HCTC) eligible; • > 65 and not eligible for Medicare; • Rejection from an agent or insurance carrier; or • Presumptive condition <p>Special Populations:</p> <ul style="list-style-type: none"> • Ryan White HIV/AIDS individuals through MN DHS • Medicare Eligible: > 65 or < 65 with disability 	<u>Eligible Individuals Must:</u> <ul style="list-style-type: none"> • Be a citizen or national of the United States or lawfully present in the United States; • Not have been covered under creditable coverage (as defined in Section 2701 (c) (1) of the Public Health Service Act) for the previous 6 months before applying for coverage; • Have a pre-existing condition, as determined in a manner consistent with guidance issued by the Secretary

<p><u>Benefits/Coverage:</u></p>	<p><u>Pre-existing Condition Limitation:</u> 6 months (<i>Some statutory waivers</i>)</p> <p><u>Deductible Plans:</u> \$500; \$1,000; \$2,000; \$5,000; \$10,000: and HDHP.</p> <p><u>General/Inpatient/Hospital/ Outpatient/Other Benefits:</u> Member share is 20% after the deductible is met</p> <p><u>Individual Out of Pocket Limits:</u> \$3000 to \$10,000</p> <p><u>Lifetime Maximum Benefit:</u> \$5 million</p>	<p><u>Benefits/Coverage Must Have:</u></p> <ul style="list-style-type: none"> • An actuarial value of at least 65 percent of total allowed costs; • An out-of-pocket limit no greater than the applicable amount for high-deductible health plans linked to health savings accounts or \$5,950 per individual (IRS: 223 (c) (2)) • No pre-existing condition exclusions
<p><u>Premiums:</u></p>	<ul style="list-style-type: none"> • Premiums range between 101% and 125% of the weighted average for a comparable individual policy sold in Minnesota's commercial market • Rates are differentiated by 5 year age bands 	<p><u>Premiums Must:</u></p> <ul style="list-style-type: none"> • Be established at 100% of the standard non-group rate • Not have age rating greater than 4 to 1
<p><u>Funding:</u></p>	<p>MCHA is currently funded through member premiums that were set at 120% of market rates in 2009 and by assessments on all insurers that sell health and accident insurance in Minnesota.</p> <p>MN premiums (2008): \$116,266,157.</p> <p>MN incurred claims (2008): \$245,773,335</p> <p>MN Assessments (2008): \$136, 548,740.</p>	<p>Total Federal Funds: \$5 Billion (Available: 7/1/10 – 1/1/14) States Allocation based on population similar to SCHIP Funding Formula</p>